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In the Matter of the Impasse Arbitration

between

**CITY OF DUBUQUE,
Employer,
and**

**DUBUQUE PROFESSIONAL FIREFIGHTER'S
ASSOCIATION, LOCAL 353, AFL-CIO-CLC,
Union**

Before

Lisa Salkovitz Kohn

Hearing Held: August 2, 2005

Award Issued: August 15, 2005

For the City: Randy Peck, Personnel Manager

**For the Association: Rick Scofield, Secretary/Treasurer,
Iowa Professional Fire Fighters
David Beaves, President, IPFF Local
353**

Impasse Arbitrator's Award

I. INTRODUCTION

This is an impasse arbitration held pursuant to Section 20.22 of the Iowa Public Employment Relations Act. The parties have bargained to impasse on three articles – wages, education pay, and health insurance – although they disagree as to whether wages and education pay are separate impasse items or not. After mediation, the parties selected a single arbitrator, waiving their right to a tripartite arbitration panel as permitted by the statute. The parties also waived the statutory deadlines for the holding of the hearing and the issuance of the arbitrator's award.

At the hearing, held at the Carnegie-Stout Public Library, Dubuque, Iowa, on August 2, 2005, the parties presented evidence and oral argument. The parties elected not to file post-hearing briefs. The hearing was transcribed electronically by the arbitrator.

In reaching this award, the arbitrator has considered all facts, evidence and arguments submitted, even if not specifically referenced here, and has applied the criteria set forth in Chapter 20 of the Iowa Code, in selecting the most reasonable of the parties' final offers on each impasse item. As provided in Section 20.22 (9) of the Iowa Code, the arbitrator has considered, "in addition to any other relevant factors," the following factors:

- a. Past collective bargaining contracts between the parties including the bargaining that led the up to such contracts.
- b. Comparison of wages, hours and conditions of employment of the involved public employees with those of other public employees doing comparable work, giving consideration to factors peculiar to the area and the classifications involved.
- c. The interests and welfare of the public, the ability of the public employer to finance economic adjustments and the effect of such adjustments on normal standard of services.
- d. The power of the public employer to levy taxes and appropriate funds for the conduct of its operations.

II. FACTUAL BACKGROUND

The City of Dubuque is located in northeastern Iowa, and has a population of approximately 58,000. The Association was certified in December 1975, and now represents a bargaining unit of 81 employees, consisting of 24 firefighters, 24 fire equipment operators, 12 medical officers, 14 fire lieutenants, and 7 fire captains. The City also has bargaining units represented by the Teamsters Union, the Police Association, the Operating Engineers, and the Transit Union, in addition to non-represented employees.

The City has six fire stations, five engine companies, two truck companies, three ambulances, and one command vehicle. There were 4183 service calls in fiscal year 2005, over twice as many as in 1988. The 81 bargaining-unit firefighters and three assistant chiefs are divided into three shifts with 27 firefighters and one assistant chief assigned to each shift. They work a 24-hour schedule, each shift working 3 24-hour shifts in a nine-day cycle. The Department has an additional six administrative employees, not represented by the Association, who work a five-day, 40-hour week.

The Fire Department is capable of providing a wide range of technical rescue services, and many of the firefighters possess multiple certifications:

Certification	No. Certified	Certification	No. Certified
Firefighter I	77	Hazmat Technician	77
Firefighter II	77	SCBA Technician	7
Instructor I	26	EMT - P	47
Instructor II	1	EMT - I	2
Fire Officer I	61	EMT - B	17
Driver Operator	71	AA Fire Science	19

(All members of the bargaining unit have the EMT - A certification.)

The City and the Association are parties to a collective bargaining agreement effective from July 1, 2004, through June 30, 2006 (the Agreement). Article 33 of the

Agreement provides for a re-opening of Article 12, Wage Plan, Article 14, Education Pay, Article 18, Group Insurance, and Article 19, Uniform Allowance, for new provisions to become effective July 1, 2005. Despite negotiations and mediation, the parties were unable to reach a voluntary agreement on new terms and exchanged their final proposals on July 8, 2005.

III. THE ITEMS OUTSTANDING – FINAL OFFERS

A. Article 12 - Wage Plan

1. The Association's Final Offer:

Effective July 1, 2005:

Firefighter – 3.5% + 2.4% (Insurance off-set) = 5.9%
Fire Equipment Operator – 4.0% + 2.4% (Insurance off-set) = 6.4%
Medical Officer – 4.5% + 2.4% (Insurance off-set) = 6.9%
Fire Lieutenant – 4.5% + 2.4% (Insurance off-set) = 6.9%
Fire Captain – 5.0% + 2.4% (Insurance off-set) = 7.4%

2. The City's Final Offer:

Effective July 1, 2005 through June 30, 2006, the wage plan in effect on June 30, 2005 shall be increased by 5.4% across-the board.

B. Article 14 - Education Pay

1. The Association's Final Offer¹

Section 1

All pay grades will receive the following stipends according to their certification.

<u>Certification Level</u>	<u>Payment</u>
EMT - B	\$20.00 per month
EMT - I	\$30.00 per month
EMT - P	3% of Firefighter Step F. Paid in 26 equal payments
Associates Degree in Fire Science	3% of Firefighter Step F. Paid in 26 equal payments

¹At the hearing, the Union stated that it had deleted from its offer a \$15.00 per month payment for EMT-A certification level. The City agreed to this modification.

In order to verify eligibility for this payment, employees must provide a certified transcript from the college or university that awarded the Fire Science degree.

Section 1 Paragraph 5

In the event an employee in the classification of Fire Equipment Operator, Medical Officer, Fire Lieutenant, or Fire Captain, hired prior to January 1, 1997, fails to renew his/her certification when it is due, he/she shall forfeit the additional payment until such time as re-certification is obtained.

2. The City's Final Offer:

Continue with the existing language of the Agreement.

C. Article 18 Group Insurance

1. The Association's Final Offer:

Section 1

Effective July 1, 2005, employees shall pay 10% of the cost of the premium established for the health and prescription drug insurance plan for which the employee is enrolled (i.e. single plan, single plus one dependent plan and family plan). The premium for the health and prescription drug insurance plan shall be the premium established for retirees and COBRA enrollees. The employee's portion shall be capped at \$150.00 per month for family plan, \$120.00 per month for the single plus one dependent plan and \$60.00 per month for the single plan. The City will provide a one time increase of 2.4% July 1, 2005 on all base wages as an offset for the new premiums (this is in addition to any other wage increases). The employee shall pay the full premium for the dental plan.

2. The City's Final Offer:

Section 1

Effective July 1, 2005, employees shall pay 10% of the cost of the premium established for the health and prescription drug insurance plan for which the employee is enrolled. The premium for the health and prescription drug insurance plan shall be the premium established for retirees and COBRA enrollees.

IV. THE COMPARABLE COMMUNITIES

Section 20.22 (9) of the Public Employment Relations Act directs impasse arbitrators to compare "the wages, hours and conditions of employment of the involved public employees with those of other public employees doing comparable work, giving consideration to factors peculiar to the area and the classifications involved trends and conditions in comparable communities are a significant factor in resolving impasses on

economic issues.” Both parties have referred to comparisons with the Fire Departments of **Cedar Rapids, Council Bluffs, Davenport, Des Moines, Sioux City, and Waterloo.** In light of the parties’ agreement, the arbitrator will also look to this group in assessing the external comparability of their respective final offers.

V. DISCUSSION

The first question presented here is whether the parties have presented final offers on two impasse items, or three. The City asserts that “education pay” is merely a component of wages, and that the Article 12 and Article 14 offers represent a single impasse item, wages, while the Association identifies education pay as an issue separate from wages.

In Iowa Code Section 20.9, the legislature has listed with particularity the issues over which the parties must bargain:

wages, hours, vacations, insurance, holidays, leaves of absence, shift differentials, overtime compensation, supplemental pay, seniority, transfer procedures, job classifications, health and safety matters, evaluation procedures, procedures for staff reduction, in-service training
...

Section 20.22 (11) requires that the impasse arbitration panel select either of the parties’ final offers (or the fact-finder’s recommendation, if any) “on each impasse item.” An “impasse item” is any subject of bargaining enumerated in Section 20.9 on which the parties cannot agree. “Each subject category submitted shall constitute an impasse item.” *West Des Moines Education Assn. v. PERB*, 266 N.W. 2d 118, 127 (Iowa 1978). Final offers on a particular subject category, such as salary, must be accepted or rejected “*in toto*”. *Maquoketa Valley Community School Dist. v. Maquoketa Valley Education Assn.*, 279 N.W. 2d 510, 510 (1979). Thus, the only way that “Article 14 - Education Pay” could be deemed an impasse item separate from the wages item covered in the parties’ final

offers on Article 12, Wage Plan, would be if education pay were "supplemental pay" within the meaning of Section 20.9.

However, the education pay provided under Article 14 of the parties' contract is not "supplemental pay." "Supplemental pay" must be "pay based upon extra services and directly related to the time, skill, and nature of those additional services." *Fort Dodge Community School Dist. v. PERB*, 319 N.W. 2d 181, 184 (Iowa 1982). Although Article 14 education pay is tied to added education or certification, and, presumably, added skill, there is no "direct relationship" between that pay and any specific "extra services." *Accord, Iowa City Assn. of Fire Fighters v. Iowa PERB*, 554 N.W. 2d 707, 711 (1996) ("The services covered are not extra; they are services that are a normal part of a fire fighter's job.") Because Article 14 education pay is not supplemental pay, it must be deemed part of the single impasse item, "wages." Accordingly, the parties' final offers on Article 12 and Article 14 will be considered part of a single impasse item, wages.

A. Wages: Article 12 – Wage Plan and Article 14 – Education Pay

The Association asserts that its wage offer is more reasonable than the City's lower offer because the firefighters have a high level of certified, technical and rescue skills, their wages are now below average within the comparison group, the cost of living in the City is higher than average for the comparison group, and the City currently fails to reward education and EMS certification appropriately, particularly in the ranks above fire fighter. The City's position is that its offer is more reasonable because its offer is consistent with the compensation package for the four other bargaining units and for non-bargaining unit employees, because the wage offer will preserve the historical wage relationship between the firefighter and patrol officer positions, because City firefighters' wages and benefits compare favorably with those of firefighters in the comparison group, and because the City

has made a concerted effort to keep wages in line with inflation.

Overall, the Association's wage proposals (for Article 12 and Article 14 pay together) would increase the City's wage and pension costs (exclusive of holiday pay, pay step increases, overtime and longevity pay and rate increases) by \$354,500.46. Of that amount, the wage increase would be \$276,499.85, an average wage increase of 7.54%, or \$3,413.58 per employee. The City's proposed 5.4% across-the-board wage increase would increase wage and pension costs (exclusive of holiday pay, pay step increases, overtime and longevity pay and rate increases) by a total of \$254, 049.74, of which \$198,151.27 would be wages. Both offers exceed the 2.5% annual increase in the CPI-U for June 2005.²

The base wages for various ranks of Dubuque fire fighters are generally at or below the average among the six comparison cities, with Dubuque wages tending to lag more below the average at the higher ranks. However, fire fighters reach maximum base rates faster in the City than in any other comparison community, and longevity pay for City fire fighters is higher than in any comparison city other than Des Moines. Considered overall, the wages and benefits for City fire fighters are competitive with the average wage-benefit package available in comparison cities.

In comparing the compensation of City fire fighters to that available elsewhere, it is notable that since 1980, only seven members of the bargaining unit voluntarily quit their employment with the City to accept employment elsewhere. The average annual turnover rate for resignations other than retirements over the last twenty-five years is 0.3%, and the average length of service for employees in this bargaining unit is thirteen (13) years. The City's recent fire fighter recruits have been highly qualified and certified. These data

²The Association cited comparative "cost of living" calculations from "CNNMoney" (<http://money.cnn.com>), <http://www.homefair.com>, and <http://businessweek.monstermoving.monster.com>. Without any information from which to judge the accuracy of the information on these websites, the Arbitrator is unwilling to give much weight to these data, when officially recognized cost of living data traditionally used in labor-management negotiations is readily available from the US Government and other sources.

indicate that the City's final offer is appropriately comparable to the wages available in the comparison cities and that the Association's more costly wage offer is not needed to attract, retain or competitively compensate qualified bargaining unit employees.

As for internal comparisons, all City employees other than fire fighters have received a 5.4% increase for FY 2006. This 5.4% includes a 2.4 % "insurance off-set" identified by the City as an increase intended to off-set the new employee contribution to the cost of health care. Over the past ten years, compensation package increases have almost always proceeded in lockstep, all employees receiving the same percentage increase regardless of whether they were in a bargaining unit or not, and regardless of which Union, if any, represented them. The exceptions were the result of three arbitration awards: For FY 96 and FY 97, the Teamsters unit was awarded an increase greater than the increase given uniformly to the rest of the City workforce, and the same was true for the Transit workers unit in FY 99.³ Cumulatively, compensation package increases have exceeded increases in the cost of living, as measured by the CPI-U, since 1984. Fire fighters' benefits are at least comparable to those of other City employees, and better than other employees in the area of longevity, education pay and vacation.

With respect to bargaining history as well as internal comparability, it should be noted that since 1983, there has been absolute parity between the biweekly base rate for fire fighter step F and the biweekly base rate for patrol officer step F. The Association's proposal for a biweekly base rate for fire fighter step F \$7 higher than that for patrol officer step F, would break that historic parity.

As to its proposals to modify education pay, the Association notes that all employees are now required to hold paramedic certification, which was not the case when the current

³Another exception is the City Manager, who received a 10.4% increase for FY2006.

education pay was adopted, and argues that it is inequitable for the City to grant greater education pay to employees with the rank of firefighter than to employees in the promoted ranks. The Association also contends that internal comparison warrants a percentage basis for calculating the pay for an Associate's Degree. However, the only other employee group that receives education pay is the police. The fact that the only other group getting education pay receives a percentage of base wage as education pay is not a compelling reason to switch the fire fighters' education pay to a percentage basis.

Moreover, it must be kept in mind that education pay is not itself an impasse item; it is merely one feature of the final offer on the impasse offer of wages. The fact that the City's education pay benefit may lag behind that available in the comparison cities therefore must be weighed against the general competitiveness of the City's overall compensation package within the comparison group, in assessing the relative merits of the Association's complete final offer on wages. For this reason, even if there were sound reasons to increase the education pay benefit for employees in the promoted ranks, it would be difficult to achieve that change in the course of impasse arbitration. Unless the Association's overall final offer on wages is the most reasonable, the Association cannot obtain through impasse arbitration a change in education pay that might otherwise have merit. For this reason, such fine-tuning is best addressed at the bargaining table.

All of these observations, along with a consideration of the entire evidentiary record, lead to the conclusion that the City's offer is the most reasonable. The parties' past bargaining history demonstrates that compensation increases for the fire fighters historically have mirrored the increases given to the rest of the City workforce, and have maintained parity between the police and fire fighter units. Only the City's offer is consistent with that past bargaining history. A comparison of the wages, hours and conditions of employment among City fire fighters with those of fire fighters in the six

comparison cities demonstrates that the City's compensation package is competitive with the average package available within the comparison group. The Association has failed to demonstrate that its more costly proposal is more reasonable than the City's, especially in light of the countervailing history of internal consistency throughout the City workforce and parity between the fire fighters and patrol officers. Nor does the interest and welfare of the public require that the fire fighters be awarded the more costly offer, as the City has been able to attract and retain a skilled cadre of fire fighters with minimal turnover while offering a compensation package that has been molded by that consistency and parity. In sum, the City's final offer on wages, encompassing the issues of changes to both Article 12 and Article 14, is the most reasonable.

B. Insurance: Article 18 – Insurance

The parties' final offers on insurance are identical in two respects. They agree that "effective July 1, 2005, employees shall pay 10% of the cost of the premium established for the health and prescription drug insurance plan for which the employee is enrolled." They also agree that "[t]he premium for the health and prescription drug insurance plan shall be the premium established for retirees and COBRA enrollees." However, the Association's final offer would cap the employees' contributions at \$150.00 per month for the family plan, \$120.00 per month for the single plus one dependent plan and \$60.00 per month for the single plan, and would include the statements that "The City will provide a one time increase of 2.4% July 1, 2005 on all base wages as an offset for the new premiums (this is in addition to any other wage increases)," and that "The employee shall pay the full premium for the dental plan." Because the reference to the dental plan reflects the *status quo* (employees already pay the full premium of the dental plan), and the reference to the 2.4% wage increase is part of the wage impasse item already addressed,

the essential difference between the parties' final offers on insurance is the Association's plan to cap employee contributions.

The Association's position is that while the employees have agreed for the first time to share in the cost of their health benefit, caps on those contribution rates should be imposed as a matter of fairness: The Association has worked with the City Health Care Committee to help save costs to the City's self-funded plan, but its continued right to participate on that Committee is not guaranteed, and the Committee may not control City policy or actions with respect to benefit costs or premiums in case of a deadlock. As a result, the Association concludes, a cap is its only means of control over future premiums.

The City's position is that the City health and prescription drug plan provides a competitive benefit for all City employees for which all City employees will pay 10% of the premium beginning with FY 2006, but no other employees will have that contribution capped, and the Association has not presented any compelling reason to justify a cap for firefighters alone, particularly because firefighters already have greater benefits than other City employees.

Overall, the City's final offer is the most reasonable. The Association, the City, and the other four unions representing City employees have been parties since 1996 to an "Agreement for Joint Labor/Management Health Care Committee (City of Dubuque)." According to this record, that Agreement was extended through July 1, 2005. According to that Agreement, the "Committee shall be the exclusive forum for dealing with non-duty related health care issues under this Agreement," On the Committee, each Union has one vote, a City-appointed representative of non-represented employees has one vote and a City-appointed representative of management has one vote. The Committee has the authority to decide how to apply 50% of health-related savings achieved. As a result of the Committee's recommendation (and the Association and the City agreement), all City

employees, including the fire fighters, are contributing to the cost of their health and prescription drug plan for the first time in FY 2006, paying 10% of the premium.

It is true that in FY2006, Dubuque firefighters will pay more for their family health and dental coverage than firefighters in the comparison group cities no matter which offer is adapted, but that was true even in FY 2005:⁴

	Cedar Rapids	Council Bluffs	Davenport	Des Moines	Dubuque	Sioux City	Waterloo
FY 2005	711.60	288.00	269.28	192.00	1019.16	0.00	120.00
FY 2006	884.40	729.36	269.28	0.00	2256.48	0.00	120.00

The Association's proposal will not reduce this disparity but could serve to cap it.

On the other hand, all City employees, including the fire fighters, participate in the same self-funded health plan. Effective July 1, 2005, all City employees other than fire fighters have begun to pay 10 % of the premium for health and prescription drug insurance, without a cap or limit on the 10% payment. This internal comparison is compelling: All City employees, including the fire fighters, have had a voice on the Health Care Committee that recommended this contribution. The Health Care Committee did not propose a cap or limit for any employees. The Association has offered no reason why fire fighters should enjoy a protection against health care cost increases that is not enjoyed by other City employees, particularly in light of the cooperative efforts of the Health Care Committee since 1996 to contain costs for all city employees. While the City's final offers holds greater risk to fire fighters of increased health care costs, it is a risk currently shared by all city employees.

⁴The communities' health and dental plans provide a variety of levels of benefits, with different co-pays, deductibles, and out-of-pocket maximums, so the comparison of employee contributions alone gives an incomplete picture of the relative benefits and burdens of the comparators' insurance plans. There is insufficient comparative historic or collective bargaining information in the record upon which to judge the nature of the differences among the communities' health benefits or the cost of those benefits.

For this reason, the City's final offer, without any caps, is the most reasonable.

VII. CONCLUSION

For the reasons stated above, and after due consideration of the evidence, arguments and statutory criteria set forth in Chapter 20 of the Iowa Code, the arbitrator finds that:

1. **Wages (Article 12 – Wage Plan and Article 14 – Education Pay):**
The City's final offer is the most reasonable.
2. **Insurance (Article 18 – Insurance):** The City's final offer is the most reasonable.

Respectfully submitted,



Lisa Salkovitz Kohn

August 15, 2005

CERTIFICATE OF SERVICE

I certify that on the 16th day of August, 2005, I served the foregoing Arbitration Award upon each of the parties to this matter by sending a copy to them by Priority Mail First Class Mail at their respective addresses as shown below:

Randy Peck
Personnel Manager
City of Dubuque
50 West 13th Street
Dubuque, IA 52001-4864

David Beaves
President
Dubuque Association of Firefighters #353
569 Birch Ridge S
Peoria, IA 52068

I further certify that on the 16th day of August, 2005, I submitted this Award for filing by mailing it to the Iowa Public Employment Relations Board, 510 East 12th Street, Suite 1B, Des Moines, IA 50319



Lisa Salkovitz Kohn, Impasse Arbitrator